

SPECIAL NOTICE

April 29, 2004

For further information contact:
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B&O Tax Relief for Certain Beef Processors

Legislative action provides immediate relief for certain businesses impacted by the ban on American beef products with the passage of Substitute House Bill (SHB) 2929, Chapter 235, Laws of 2004.

SHB 2929 temporarily provides Washington's beef processors with a deduction from the measure of business and occupation tax for:

- Slaughtering cattle IF the taxpayer sells the slaughtered cattle at wholesale.
- Breaking or processing perishable beef products IF the perishable beef products are from cattle slaughtered by the taxpayer and sold at wholesale.
- Wholesale sales of perishable beef products derived from cattle slaughtered by the taxpayer.
- Processing nonperishable beef products IF the products come from cattle slaughtered by the taxpayer and are sold at wholesale.
- Wholesale sales of nonperishable beef products derived from cattle slaughtered by the taxpayer.

The deduction does not apply if the resulting beef products are sold at retail. "Beef products" is defined by SHB 2929 to be the carcass, parts of carcass, meat, and meat by-products, derived exclusively from cattle and containing no other ingredients.

For tax reporting purposes the deduction is reported on the deduction detail sheet as an "other" deduction. In the space provided for an explanation taxpayers should write "beef ban."

This deduction is effective as of March 31, 2004, and is allowed until the first day of the month following the date when the bans have been lifted on the importation of beef and beef products from the US to Japan, Mexico, and the Republic of South Korea. More information regarding the beef bans can be found on the USDA web site at <http://www.aphis.usda.gov>.

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